FY2021 was one for the record books.

IPERS’ unprecedented investment return of 29.63% was the second highest in IPERS’ history and generated $9.89 billion for the IPERS Trust Fund that pays member benefits. On June 30, 2021, the value of the fund equaled an all-time high of $42.85 billion.

This success was central to a dramatic decrease in IPERS’ unfunded actuarial liability that dropped from $6.58 billion in FY2020 to $4.96 billion in FY2021. During the same time, IPERS’ funded ratio grew from 83.96% to 88.34%. IPERS continues to be among the most well-funded public pension plans in the nation.

So what does all this mean for you, our valued IPERS member? Plenty.

First, it’s reassurance that IPERS is a strong retirement system that is well-equipped to pay retirement, death and disability benefits into perpetuity.

Second, it’s proof that our investment program is designed to withstand market vulnerabilities. When the onset of the COVID-19 pandemic sent markets into a tailspin in late FY2020, IPERS’ investments returned little more than 3%. IPERS weathered that year and was able to quickly rebound.

Third, IPERS is on track to eliminate the unfunded actuarial liability and become fully funded.

Thanks for reviewing this annual summary that highlights our year’s work in more detail. It is our privilege to share the successes of FY2021 with you.

Sincerely,

Gregory S. Samorajski
CEO
THE MOST IMPORTANT THING IPERS DOES IS PAY BENEFITS

More than 380,000 Iowans rely on IPERS to provide secure retirement benefits now and in the future. Because nearly 70% of IPERS’ benefit payments come from investment income, it’s imperative that IPERS’ investment program achieves its goals to provide the benefits public employees expect. While this year’s return of 29.63% far exceeds the 7.00% assumption, it’s important to perform well over the long term. IPERS’ investment goal is to maintain a diverse portfolio and maximize returns at an acceptable level of risk with a long-term outlook.

TRUST FUND GROWTH

In FY2021, the value of the IPERS Trust Fund grew more than $9 billion to nearly $43 billion.

INVESTMENT PERFORMANCE

IPERS’ investment policy goal is to maximize the total rate of return on investments within prudent risk parameters. Solid performance over time is important. Read IPERS’ full investment policy at www.ipers.org/investment-policies.

29.63% 7.00%
FY2021 Investment Return Long-Term Investment Assumption

ASSET ALLOCATION

An investment portfolio constructed of diversified assets will, on average, yield high long-term returns and lower the risk of any individual holding or security.

(Fair Values in Millions)*

As of June 30, 2021

Core-plus fixed income (25%) $10,632
Domestic equity (22%) $9,314
Private equity (18%) $7,506
International equity (17%) $7,293
Private real assets (6%) $2,361
Global smart beta equity (6%) $2,493
Public credit (4%) $1,646
Private credit (3%) $1,147
Cash (1%) $463

$42.85 billion

FUNDED RATIO

A funded ratio equals the value of assets divided by pension obligations or liabilities.

88.34% as of June 30, 2021

*Due to rounding, this chart does not equal 100%.
**THE AVERAGE IPERS RETIREE**

- **64** Retirement Age
- **$1,524** Monthly Benefit
- **23** Years of Service

**ADMINISTRATION COST**

IPERS’ pension administration costs per member are significantly less than its peers.

- **$98** Peer average cost
- **$46** IPERS cost

Source: CEM Benchmarking, Inc., FY2020

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**BENEFIT PAYEES AND PAYMENTS BY COUNTY**

- **$2.4 billion** TOTAL BENEFITS PAID
- **$2.1 billion** BENEFITS PAID TO RETIREES LIVING IN IOWA

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**MEMBERSHIP**

- **ALL MEMBERS**
  - Active (45%): 173,186
  - Retired (10%): 18,542
  - Inactive vested (11%): 9,484
  - Inactive nonvested (14%): 53,940
  - Retired reemployed (2%): 5,644
  - Other (3%): 90,298

**TOTAL BENEFITS PAID**

- **$2.4 billion**
- **$2.1 billion**

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**BENEFITS PAID TO RETIREES LIVING IN IOWA**

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**亥年**
A LETTER FROM THE GOVERNOR
AND LT. GOVERNOR

The legislature created IPERS in 1953 to attract and retain a quality workforce to fulfill the critical duties of government. Today, one in 10 Iowans rely on IPERS for a dependable retirement income.

IPERS members are teachers, social workers, nurses, firefighters, police and many more who are dedicated to improving the lives of others. I’ve seen the impact of your selfless service firsthand as I travel throughout Iowa. I continue to be impressed and inspired by your work.

IPERS is not only a benefit for its members, it’s also a sizable economic engine for Iowa. Retirees in Iowa receive the greatest share of IPERS’ annual benefit payments, $2.1 billion, collectively in FY2021. Residents reinvest this money in their communities to help grow the local and state economies.

We are proud to represent you and support IPERS. Thank you for everything you do every day and for your dedication over the last year.

Kim Reynolds
Governor

Adam Gregg
Lieutenant Governor

FIDUCIARY NET POSITION

(Dollar Values Expressed in Thousands)
Fiscal Years Ended June 30

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<tr>
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</thead>
<tbody>
<tr>
<td>Cash and investments at fair value</td>
<td>$43,601,649</td>
<td>$35,334,054</td>
<td>23.6</td>
<td>$35,059,231</td>
<td>0.8</td>
</tr>
<tr>
<td>Receivables</td>
<td>1,233,789</td>
<td>777,650</td>
<td>59.1</td>
<td>1,017,467</td>
<td>(23.6)</td>
</tr>
<tr>
<td>Capital assets</td>
<td>13,127</td>
<td>14,167</td>
<td>(7.3)</td>
<td>15,073</td>
<td>(6.0)</td>
</tr>
<tr>
<td>Other assets</td>
<td>628</td>
<td>530</td>
<td>18.5</td>
<td>594</td>
<td>(4.3)</td>
</tr>
<tr>
<td>Total assets</td>
<td>44,889,183</td>
<td>36,126,401</td>
<td>24.3</td>
<td>38,092,325</td>
<td>0.1</td>
</tr>
<tr>
<td>Deferred outflows of resources</td>
<td>99</td>
<td>83</td>
<td>19.3</td>
<td>46</td>
<td>80.4</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>1,999,337</td>
<td>2,078,741</td>
<td>(3.8)</td>
<td>2,081,664</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Deferred inflows of resources</td>
<td>79</td>
<td>51</td>
<td>54.9</td>
<td>26</td>
<td>96.2</td>
</tr>
<tr>
<td>Total net position</td>
<td>$42,889,876</td>
<td>$34,047,692</td>
<td>26.0</td>
<td>$34,010,681</td>
<td>0.1</td>
</tr>
</tbody>
</table>

Changes in Fiduciary Net Position

(Dollar Values Expressed in Thousands)
Fiscal Years Ended June 30

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Additions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions and service purchases</td>
<td>$1,371,873</td>
<td>$1,327,865</td>
<td>3.3</td>
<td>$1,294,438</td>
<td>2.6</td>
</tr>
<tr>
<td>Net investment and securities lending income</td>
<td>9,895,374</td>
<td>10,441,873</td>
<td>54.8</td>
<td>2,640,007</td>
<td>(60.5)</td>
</tr>
<tr>
<td>Total additions</td>
<td>11,267,247</td>
<td>2,388,738</td>
<td>375.5</td>
<td>3,934,445</td>
<td>(39.8)</td>
</tr>
<tr>
<td>Deductions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefits and refunds</td>
<td>2,418,811</td>
<td>2,398,143</td>
<td>4.3</td>
<td>2,222,656</td>
<td>4.3</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>13,852</td>
<td>13,584</td>
<td>2.0</td>
<td>15,697</td>
<td>(13.5)</td>
</tr>
<tr>
<td>Total deductions</td>
<td>2,432,663</td>
<td>2,332,727</td>
<td>4.3</td>
<td>2,238,353</td>
<td>4.2</td>
</tr>
<tr>
<td>Extraordinary item*</td>
<td>7,600</td>
<td>7,600</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Increase in net position</td>
<td>$8,842,184</td>
<td>$37,011</td>
<td>23,790.7</td>
<td>$1,696,092</td>
<td>(97.8)</td>
</tr>
</tbody>
</table>

*IPERS received the final settlement payment from the Westridge Capital fraud case, CFTC v. Walsh / SEC v. WG. This payment resulted in an extraordinary item during this fiscal year.

Total net position restricted for pensions increased from $34,048 billion on June 30, 2020, to $42,890 billion on June 30, 2021. These assets consist of capital assets owned by IPERS and investment portfolio assets.

In FY2021, employee and employer contributions, including service purchases, totaled $1.372 billion, while total member benefits equaled $2.418 billion. The resulting $1.047 billion contribution shortfall was funded with earnings and sales proceeds from the investment portfolio.